

Hearing Date: April 18, 2012  
Objection Deadline: April 11, 2012

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Daniel R. Murray (Admitted *Pro Hac Vice*)

Attorneys for the Examiner

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	: Chapter 11
	:
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	: Case No. 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
-----X	

**NOTICE OF HEARING ON FINAL FEE APPLICATION OF THE EXAMINER AND  
JENNER & BLOCK LLP FOR ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES**

**PLEASE TAKE NOTICE** that a hearing on the annexed Final Fee Application of the Examiner and Jenner & Block LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses (the "Application") will be held before the Honorable James M. Peck, United States Bankruptcy Judge, at the United States Bankruptcy Court, Alexander Hamilton Customs House, Courtroom 601, One Bowling Green, New York, New York 10004 (the "Bankruptcy Court"), on **April 18, 2012 at 10:00 a.m. (Prevailing Eastern Time)**, or as soon thereafter as counsel may be heard (the "Hearing").

**PLEASE TAKE FURTHER NOTICE** that, as more fully described in the Application, Anton R. Valukas, the Examiner (the "Examiner") appointed for Lehman Brothers Holdings Inc. and its affiliated debtors in the above-captioned bankruptcy cases, and Jenner & Block LLP, counsel to the Examiner, by and through the Application seek, for the period from January 19,

2009 through and including July 12, 2010, (i) final allowance and payment of reasonable compensation for actual and necessary professional services performed by the Examiner and Jenner & Block in the aggregate amount of \$51,271,849.80; and (ii) reimbursement of actual, reasonable and necessary expenses in the aggregate amount of \$7,906,417.06.

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the relief requested in the Application shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, shall be filed with the Bankruptcy Court (a) electronically in accordance with General Order M-399 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) by registered users of the Bankruptcy Court's case filing system, and (b) by all other parties in interest, on a CD-ROM or 3.5 inch disk, in text-searchable portable document format (PDF), with a hard copy delivered directly to Chambers, in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and shall be served in accordance with General Order M-399 on: (i) the chambers of the Honorable James M. Peck, One Bowling Green, New York, New York 10004; (ii) Weil Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Richard P. Krasnow, Esq., Lori R. Fife, Esq., and Jacqueline Marcus, Esq., attorneys for the Debtors; (iii) the Office of the United States Trustee for Region 2, 33 Whitehall Street, 21st Floor, New York, New York 10004, Tracy Hope Davis, Esq., Elisabetta G. Gasparini, Esq., and Andrea B. Schwartz, Esq.; (iv) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Dennis O'Donnell, Esq., and Evan Fleck, Esq., attorneys for the official committee of unsecured creditors appointed in these cases; (v) Godfrey & Kahn, S.C., One East Main Street, Suite 500, Madison, WI 53703, Attn: Brady C. Williamson, Esq. and Katherine Stadler, Esq., attorneys for the Fee Committee; and (vi) Jenner & Block LLP, 919 Third Avenue, 37th Floor, New York, New York 10022-3908, Attn: Patrick J. Trostle, attorneys for the Examiner; so as to be filed and received no later than **April 11, 2012, at 4:00 p.m. (Prevailing Eastern Time)** (the "Objection Deadline").

**PLEASE TAKE FURTHER NOTICE** that if an objection to the Application is not received by the Objection Deadline, the relief requested shall be deemed unopposed, and the Bankruptcy Court may enter an order granting the relief sought without a hearing.

**PLEASE TAKE FURTHER NOTICE** that objecting parties are required to attend the Hearing, and failure to appear may result in relief being granted or denied upon default.

Dated: March 27, 2012  
New York, New York

By: /s/ Patrick J. Trostle  
Patrick J. Trostle

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	Chapter 11
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LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	Case No. 08-13555 (JMP)
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Debtors.	:	(Jointly Administered)
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**FINAL FEE APPLICATION OF THE EXAMINER AND  
JENNER & BLOCK LLP FOR ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES**

SUMMARY SHEET PURSUANT TO UNITED STATES TRUSTEE GUIDELINES  
FOR REVIEWING APPLICATIONS FOR COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FILED UNDER 11 U.S.C. § 330

Name of Applicants:	Anton R. Valukas (the “ <u>Examiner</u> ”) and Jenner & Block LLP
Period for which Compensation and Reimbursement is Sought:	January 19, 2009 to July 12, 2010 <sup>1</sup>
Authorized to Provide Professional Services to:	Anton R. Valukas, Examiner
Date of Notice of Appointment:	January 19, 2009
Date of Retention (Jenner & Block):	February 11, 2009, <i>nunc pro tunc</i> January 19, 2009
Fees Previously Requested:	\$51,885,167.61
Fees Previously Awarded:	\$50,502,363.15 <sup>2</sup>
Final Fees Requested:	\$51,271,849.80 <sup>3</sup>
Expenses Previously Requested:	\$7,958,855.48 <sup>4</sup>
Expenses Previously Awarded:	\$7,629,540.68 <sup>5</sup>
Final Expenses Requested:	\$7,906,417.06 <sup>6</sup>

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<sup>1</sup> Pursuant to Paragraph 4 of the Order Discharging Examiner and Granting Related Relief [Docket No. 10169], after the entry of that Order, the Examiner and Jenner & Block were required to submit fee applications only for fees and expenses that exceeded \$150,000 in any month. The Examiner’s and Jenner & Block’s fees and expenses never met that threshold after July 12, 2010. The total fees and expenses for the entire period from July 13, 2010 through February 29, 2012 were \$261,422.30 and \$3,992.03, respectively.

<sup>2</sup> This amount does not include fees requested in the Examiner’s and Jenner & Block’s Sixth Interim Fee Application (\$114,663.15), which remains subject to the Court’s review and approval.

<sup>3</sup> This reflects a \$613,317.81 final reduction to the Examiner’s and Jenner & Block’s previously requested fees, which has been agreed upon by the Fee Committee, the Examiner, and Jenner & Block.

<sup>4</sup> The expenses requested include \$5,829,459.46 of wages paid to contract attorneys whom the Examiner retained for specific document review tasks pursuant to Court authorization.

<sup>5</sup> This amount does not include expenses requested in the Examiner’s and Jenner & Block’s Sixth Interim Fee Application (\$10,057.12), which remains subject to the Court’s review and approval.

<sup>6</sup> This reflects a \$52,438.42 final reduction to the Examiner’s and Jenner & Block’s previously requested expenses, which has been agreed upon by the Fee Committee, the Examiner, and Jenner & Block.

Summary of Fees and Expenses Requested and Approved by Application Period

<b>Application</b>	<b>Date Filed</b>	<b>Period Covered</b>	<b>Court Order(s)</b>	<b>Fees Requested</b>	<b>Fees Approved by Court</b>	<b>Expenses Requested</b>	<b>Expenses Approved by Court</b>
First Interim Application [Dkt. 3319]	4/10/09	1/19/09 – 1/31/09	8/13/09 [Dkt. 4795] 9/25/09 [Dkt. 5274]	\$613,650.37	\$613,650.37	\$13,514.99	\$13,514.99
Second Interim Application [Dkt. 4808]	8/14/09	2/1/09 – 5/31/09	9/25/09 [Dkt. 5274] 12/23/09 [Dkt. 6354] 4/9/10 [Dkt. 8204]	\$10,797,341.63	\$10,733,071.24	\$429,093.04	\$429,093.04
Third Interim Application [Dkt. 6188]	12/14/09	6/1/09 – 9/30/09	4/9/10 [Dkt. 8211]	\$16,227,724.95	\$16,065,360.70	\$4,129,426.78	\$4,065,323.18
Fourth Interim Application [Dkt. 8404]	4/16/10	10/1/09 – 1/31/10	9/9/10 [Dkt. 11237]	\$20,604,413.25	\$19,786,320.74	\$3,014,481.99	\$2,797,333.93
Fifth Interim Application [Dkt. 10779]	8/16/10	2/1/10 – 5/31/10	5/19/11 [Dkt. 16796]	\$3,527,374.26	\$3,303,960.10	\$362,281.56	\$324,275.54
Sixth Interim Application [Dkt. 13462]	12/14/10	6/1/10 – 7/12/10	Not Yet Entered	\$114,663.15	Not Yet Determined	\$10,057.12	Not Yet Determined
<b>TOTAL</b>				<b>\$51,885,167.61</b>	<b>\$50,502,363.15</b>	<b>\$7,958,855.48</b>	<b>\$7,629,540.68</b>

**Notes:**

- All approved fees and expenses have been paid.
- 80% of the fees and 100% of the expenses requested in the Sixth Interim Application have been paid.

Summary of Time Recorded in Connection With Rendering  
Services to the Examiner for January 19, 2009 - July 12, 2010

<b>Position</b>	<b>Name</b>	<b>Admitted to Practice</b>	<b>Fee Year</b>	<b>Rate<sup>7</sup></b>	<b>Hours</b>	<b>Amount</b>
Examiner	Anton R. Valukas	1968	2009	925	1,144.5	\$1,058,662.50
Examiner	Anton R. Valukas	1968	2010	975	364.0	\$354,900.00
Partner	Stephen L. Ascher	1991	2009	750	1,506.3	\$1,129,725.00
Partner	Stephen L. Ascher	1991	2010	775	207.0	\$160,425.00
Partner	Matt D. Basil	1997	2009	575	1,863.5	\$1,071,512.50
Partner	Matt D. Basil	1997	2010	600	481.3	\$288,780.00
Partner	Robert L. Byman	1970	2009	800	2,456.4	\$1,965,120.00
Partner	Robert L. Byman	1970	2010	850	813.3	\$691,305.00
Partner	Timothy J. Chorvat	1986	2009	625	590.3	\$368,937.50
Partner	Timothy J. Chorvat	1986	2010	650	191.6	\$124,540.00
Partner	John F. Cox	1995	2009	650	4.4	\$2,860.00
Partner	David W. DeBruin	1980	2009	750	212.3	\$159,225.00
Partner	David W. DeBruin	1980	2010	775	10.3	\$7,982.50
Partner	Christopher C. Dickinson	1988	2009	625	19.3	\$12,062.50
Partner	Larry P. Ellsworth	1973	2009	700	2.8	\$1,960.00
Partner	Larry P. Ellsworth	1973	2010	725	2.9	\$2,102.50
Partner	Jerome L. Epstein	1986	2009	700	988.2	\$691,740.00
Partner	Jerome L. Epstein	1986	2010	725	254.6	\$184,585.00
Partner	Gabriel A. Fuentes	1993	2009	575	975.0	\$560,625.00
Partner	Gabriel A. Fuentes	1993	2010	590	140.3	\$82,777.00
Partner	Chris C. Gair	1985	2009	700	2.8	\$1,960.00
Partner	Marc B. Hankin	1992	2009	725	1,891.4	\$1,371,265.00
Partner	Marc B. Hankin	1992	2010	750	359.9	\$269,925.00
Partner	Mark R. Heilbrun	1990	2009	900	43.2	\$38,880.00
Partner	William D. Heinz	1973	2009	800	10.4	\$8,320.00
Partner	William D. Heinz	1973	2010	825	11.9	\$9,817.50
Partner	Katya Jestin	1996	2009	675	255.8	\$172,665.00
Partner	Katya Jestin	1996	2010	700	151.4	\$105,980.00
Partner	Carter H. Klein	1972	2010	675	17.8	\$12,015.00
Partner	Tobias L. Knapp	1998	2009	675	94.8	\$63,990.00

<sup>7</sup> These rates do not reflect the 10% reduction in the standard hourly rates to which the Examiner and Jenner & Block agreed because of the significant public interest associated with the Examiner's duties and responsibilities. The 10% reduction is applied to the Total Attorney Time amount.

Position	Name	Admitted to Practice	Fee Year	Rate <sup>7</sup>	Hours	Amount
Partner	C. John Koch	1981	2010	775	4.8	\$3,720.00
Partner	David C. Layden	1993	2009	575	1,686.7	\$969,852.50
Partner	David C. Layden	1993	2010	600	413.5	\$248,100.00
Partner	Vincent E. Lazar	1990	2009	700	1,002.8	\$701,960.00
Partner	Vincent E. Lazar	1990	2010	750	368.4	\$276,300.00
Partner	Alex Lipman	1991	2009	700	180.9	\$126,630.00
Partner	Michael K. Lowman	1993	2009	600	0.9	\$540.00
Partner	James T. Malysiak	1973	2009	625	825.0	\$515,625.00
Partner	James T. Malysiak	1973	2010	650	379.4	\$246,610.00
Partner	Ronald L. Marmer	1977	2009	900	1,237.1	\$1,113,390.00
Partner	Ronald L. Marmer	1977	2010	925	77.8	\$71,965.00
Partner	Heather D. McArn	1992	2009	550	1,809.7	\$995,335.00
Partner	Heather D. McArn	1992	2010	575	452.8	\$260,360.00
Partner	John J. Molenda	1999	2009	550	564.8	\$310,640.00
Partner	John J. Molenda	1999	2010	580	213.9	\$124,062.00
Partner	Daniel R. Murray	1970	2009	800	1,161.7	\$929,360.00
Partner	Daniel R. Murray	1970	2010	850	638.1	\$542,385.00
Partner	Thomas C. Newkirk	1966	2009	850	323.0	\$274,550.00
Partner	Thomas C. Newkirk	1966	2010	875	119.4	\$104,475.00
Partner	Robert S. Osborne	1979	2010	950	9.0	\$8,550.00
Partner	Adam Petravicius	1995	2010	675	1.0	\$675.00
Partner	Suzanne J. Prysak	1997	2009	575	1,164.4	\$669,530.00
Partner	Suzanne J. Prysak	1997	2010	600	160.3	\$96,180.00
Partner	Catherine L. Steege	1982	2009	725	205.4	\$148,915.00
Partner	Catherine L. Steege	1982	2010	775	105.3	\$81,607.50
Partner	Howard S. Suskin	1983	2009	750	10.0	\$7,500.00
Partner	Howard S. Suskin	1983	2010	775	18.3	\$14,182.50
Partner	William L. Tolbert	1988	2009	900	61.0	\$54,900.00
Partner	William L. Tolbert	1988	2010	925	18.3	\$16,927.50
Partner	Seth A. Travis	1996	2009	575	464.2	\$266,915.00
Partner	Seth A. Travis	1996	2010	575	65.3	\$37,547.50
Partner	Patrick J. Trostle	1992	2009	725	2,270.2	\$1,645,895.00
Partner	Patrick J. Trostle	1992	2010	750	462.7	\$347,025.00
Partner	Andrew Weissmann	1985	2009	900	5.5	\$4,950.00
Partner	Elaine Wolff	1979	2009	700	29.9	\$20,930.00
Partner	Richard F. Ziegler	1976	2009	900	9.0	\$8,100.00
Partner	Richard F. Ziegler	1976	2010	950	6.4	\$6,080.00
<b>Partner Total</b>					<b>31,594.6</b>	<b>\$22,226,914.00</b>



Position	Name	Admitted to Practice	Fee Year	Rate <sup>7</sup>	Hours	Amount
Of Counsel	Ronald DeKoven	1968	2009	925	52.1	\$48,192.50
Of Counsel	Ronald DeKoven	1968	2010	925	3.6	\$3,330.00
Of Counsel	Brent E. Kidwell	1993	2009	525	130.9	\$68,722.50
Of Counsel	Brent E. Kidwell	1993	2010	525	3.3	\$1,732.50
Staff Attorney	Laura B. Duchesne	2006	2010	235	34.4	\$8,084.00
Staff Attorney	Edward P. McKenna	2006	2009	280	733.8	\$205,464.00
Staff Attorney	Edward P. McKenna	2006	2010	315	421.8	\$132,867.00
<b>Of Counsel/Staff Attorney Total</b>					<b>1,379.9</b>	<b>\$468,392.50</b>
Associate	Anne M. Alexander	2008	2009	325	81.7	\$26,552.50
Associate	Anne M. Alexander	2008	2010	370	214.4	\$79,328.00
Associate	Angela M. Allen	2008	2009	325	541.9	\$176,117.50
Associate	Angela M. Allen	2008	2010	370	267.8	\$99,086.00
Associate	Sarah S. Ansari	2009	2010	325	18.5	\$6,012.50
Associate	Thomas G. Appleman	2009	2010	325	59.1	\$19,207.50
Associate	Anna L. Barreiro	2009	2010	325	44.3	\$14,397.50
Associate	Chad E. Bell	2006	2009	400	392.8	\$157,120.00
Associate	Chad E. Bell	2006	2010	445	146.7	\$65,281.50
Associate	Christine P. Benavente	2009	2010	325	26.0	\$8,450.00
Associate	Sofia E. Biller	2008	2009	325	1,997.6	\$649,220.00
Associate	Sofia E. Biller	2008	2010	370	476.4	\$176,268.00
Associate	Kristen M. Boike	2006	2010	445	11.0	\$4,895.00
Associate	Anthony B. Borich	2009	2010	325	134.2	\$43,615.00
Associate	Cori F. Brown	2005	2009	400	844.1	\$337,640.00
Associate	Eric P. Brown	2009	2009	325	485.4	\$157,755.00
Associate	Eric P. Brown	2009	2010	370	283.5	\$104,895.00
Associate	Stephen R. Brown	2008	2010	370	25.1	\$9,287.00
Associate	Jessica A. Burke	2008	2009	325	359.5	\$116,837.50
Associate	Adam M. Caldwell	2009	2010	325	27.5	\$8,937.50
Associate	Penelope P. Campbell	2009	2010	325	23.0	\$7,475.00
Associate	Erin K. Cannon	2009	2010	370	13.8	\$5,106.00
Associate	Walter H. Chen	2010	2010	370	168.2	\$62,234.00
Associate	Anjan Choudhury	2004	2009	475	2,061.1	\$979,022.50
Associate	Anjan Choudhury	2004	2010	510	258.1	\$131,631.00
Associate	Tiffany E. Clements	2008	2009	325	1,348.5	\$438,262.50
Associate	Tiffany E. Clements	2008	2010	370	224.1	\$82,917.00
Associate	Jonathan D. Conley	2008	2009	325	1,566.5	\$509,112.50
Associate	Jonathan D. Conley	2008	2010	370	197.8	\$73,186.00
Associate	Angela L. Davis	2009	2009	325	12.6	\$4,095.00

Position	Name	Admitted to Practice	Fee Year	Rate <sup>7</sup>	Hours	Amount
Associate	Angela L. Davis	2009	2010	325	20.0	\$6,500.00
Associate	Matthew R. Devine	2004	2009	475	1,746.5	\$829,587.50
Associate	Matthew R. Devine	2004	2010	510	491.8	\$250,818.00
Associate	Jennifer L. Dlugosz	2006	2009	370	211.3	\$78,181.00
Associate	Jennifer L. Dlugosz	2006	2010	400	5.9	\$2,360.00
Associate	Irina Y. Dmitrieva	2003	2009	495	389.1	\$192,604.50
Associate	Irina Y. Dmitrieva	2003	2010	540	100.6	\$54,324.00
Associate	Brandon J. Dodgen	2008	2009	325	239.2	\$77,740.00
Associate	Robert E. Downey	2006	2009	400	33.4	\$13,360.00
Associate	Shelley K. Dufford	2007	2009	370	691.4	\$255,818.00
Associate	Joseph R. Dunn	2009	2010	325	20.5	\$6,662.50
Associate	Genevieve J. Essig	2009	2010	325	19.9	\$6,467.50
Associate	Daniel T. Fenske	2008	2009	325	163.4	\$53,105.00
Associate	Daniel T. Fenske	2008	2010	370	272.8	\$100,936.00
Associate	Kristina Filipovich	2008	2009	370	409.1	\$151,367.00
Associate	Kristina Filipovich	2008	2010	400	331.6	\$132,640.00
Associate	Brian J. Fischer	2002	2009	525	19.6	\$10,290.00
Associate	Melissa C. Fogerty	2005	2009	435	239.9	\$104,356.50
Associate	Grant R. Folland	2008	2009	325	2,084.6	\$677,495.00
Associate	Grant R. Folland	2008	2010	370	247.9	\$91,723.00
Associate	Ilya Fradkin	2006	2009	425	781.3	\$332,052.50
Associate	Ilya Fradkin	2006	2010	445	315.3	\$140,308.50
Associate	Anne M. Gardner	2008	2009	325	1,209.2	\$392,990.00
Associate	Michelle A. Groman	2006	2009	435	1,018.1	\$442,873.50
Associate	Michelle A. Groman	2006	2010	490	144.3	\$70,707.00
Associate	Gabriel A. Gutierrez	2009	2010	325	28.3	\$9,197.50
Associate	Drew R. Haase	2009	2010	325	15.3	\$4,972.50
Associate	Sarah E. Haddy	2009	2010	325	6.3	\$2,047.50
Associate	Marc E. Harrison	2006	2009	400	75.6	\$30,240.00
Associate	Sean J. Hartigan	2004	2009	495	271.8	\$134,541.00
Associate	Sean C. Herring	2005	2009	435	924.1	\$401,983.50
Associate	Melissa M. Hinds	2003	2009	495	237.9	\$117,760.50
Associate	Melissa M. Hinds	2003	2010	540	1.8	\$972.00
Associate	David H. Hixson	2005	2009	400	9.5	\$3,800.00
Associate	Grace S. Ho	2007	2009	370	288.1	\$106,597.00
Associate	Hayley E. Horowitz	2010	2010	325	19.9	\$6,467.50
Associate	Justin A. Houppert	2007	2010	400	7.3	\$2,920.00
Associate	Kaija K. Hupila	2008	2009	325	500.5	\$162,662.50

<b>Position</b>	<b>Name</b>	<b>Admitted to Practice</b>	<b>Fee Year</b>	<b>Rate<sup>7</sup></b>	<b>Hours</b>	<b>Amount</b>
Associate	Kaija K. Hupila	2008	2010	370	322.6	\$119,362.00
Associate	David E. Hutchinson	2009	2010	325	23.5	\$7,637.50
Associate	Precious S. Jacobs	2009	2009	325	21.1	\$6,857.50
Associate	Precious S. Jacobs	2009	2010	325	38.0	\$12,350.00
Associate	Omar Jafri	2008	2009	325	1,804.2	\$586,365.00
Associate	Omar Jafri	2008	2010	370	199.1	\$73,667.00
Associate	Stacy S. Jakobe	2003	2009	525	709.2	\$372,330.00
Associate	Stacy S. Jakobe	2003	2010	540	104.8	\$56,592.00
Associate	Marc A. Katz	2009	2010	325	27.7	\$9,002.50
Associate	Michael J. Kelly	2006	2010	445	133.0	\$59,185.00
Associate	Andrew D. Kennedy	2008	2009	325	1,408.6	\$457,795.00
Associate	Andrew D. Kennedy	2008	2010	370	278.9	\$103,193.00
Associate	Travis A. Kennedy	2009	2010	325	144.8	\$47,060.00
Associate	Michael W. Khoo	2009	2010	370	8.5	\$3,145.00
Associate	Stephen Kang Kinslow	2006	2009	400	768.5	\$307,400.00
Associate	Gregory S. Knudsen	2008	2009	325	455.3	\$147,972.50
Associate	Gregory S. Knudsen	2008	2010	370	99.8	\$36,926.00
Associate	Andrew Kopelman	2006	2009	425	1,146.6	\$487,305.00
Associate	Andrew Kopelman	2006	2010	445	257.6	\$114,632.00
Associate	Matthew R. Kopp	2008	2009	325	326.4	\$106,080.00
Associate	Matthew R. Kopp	2008	2010	370	8.5	\$3,145.00
Associate	Jennifer M. Lawson	2003	2009	525	396.2	\$208,005.00
Associate	Rodney L. Lewis	2005	2009	400	1,412.9	\$565,160.00
Associate	Rodney L. Lewis	2005	2010	445	363.6	\$161,802.00
Associate	Elizabeth L. Liebschutz	2008	2009	370	1,082.7	\$400,599.00
Associate	Elizabeth L. Liebschutz	2008	2010	400	190.1	\$76,040.00
Associate	Mark A. Lightner	2007	2009	370	604.4	\$223,628.00
Associate	Mark A. Lightner	2007	2010	400	345.3	\$138,120.00
Associate	Matthew J. Mason	2008	2009	325	1,530.0	\$497,250.00
Associate	Matthew J. Mason	2008	2010	325	140.2	\$51,874.00
Associate	Asha V. Mathai	2003	2009	400	582.9	\$233,160.00
Associate	Alexander J. May	2009	2010	325	50.5	\$16,412.50
Associate	Edward P. McKenna	2006	2009	495	83.0	\$41,085.00
Associate	Luke P. McLoughlin	2005	2009	435	53.2	\$23,142.00
Associate	Douglas F. McMeyer	2007	2010	370	10.4	\$3,848.00
Associate	Sarah R. McNally	2008	2009	325	1,505.8	\$489,385.00
Associate	Sarah R. McNally	2008	2010	370	351.0	\$129,870.00
Associate	Christopher V. Meservy	2008	2009	325	1,982.9	\$644,442.50

Position	Name	Admitted to Practice	Fee Year	Rate <sup>7</sup>	Hours	Amount
Associate	Christopher V. Meservy	2008	2010	370	265.3	\$98,161.00
Associate	Deanne B. Millison	2008	2009	325	601.7	\$195,552.50
Associate	Deanne B. Millison	2008	2010	370	197.6	\$73,112.00
Associate	David A. Newman	2007	2009	400	64.1	\$25,640.00
Associate	David A. Newman	2007	2010	445	16.9	\$7,520.50
Associate	Jodi K. Newman	2007	2009	370	54.2	\$20,054.00
Associate	Andrew S. Nicoll	2004	2009	475	20.7	\$9,832.50
Associate	Andrew J. Olejnik	2004	2009	475	1,470.4	\$698,440.00
Associate	Andrew J. Olejnik	2004	2010	510	589.0	\$300,390.00
Associate	Andrea C. Otto-Classon	2008	2009	325	775.5	\$252,037.50
Associate	Andrea C. Otto-Classon	2008	2010	370	243.5	\$90,095.00
Associate	William E. Parker	2007	2009	370	527.8	\$195,286.00
Associate	William E. Parker	2007	2010	400	42.9	\$17,160.00
Associate	Brij B. Patnaik	2009	2010	325	40.9	\$13,292.50
Associate	Laura E. Pelanek	2004	2009	475	2,065.2	\$980,970.00
Associate	Laura E. Pelanek	2004	2010	510	320.2	\$163,302.00
Associate	Tarsha A. Phillibert	2006	2009	400	1,905.2	\$762,080.00
Associate	Tarsha A. Phillibert	2006	2010	445	325.9	\$145,025.50
Associate	Keith V. Porapaiboon	2002	2009	525	1,294.6	\$679,665.00
Associate	Keith V. Porapaiboon	2002	2010	540	295.1	\$159,354.00
Associate	John M. Power	2008	2009	325	2,025.3	\$658,222.50
Associate	John M. Power	2008	2010	370	191.8	\$70,966.00
Associate	Joshua Rafsky	2005	2010	490	5.8	\$2,842.00
Associate	Landon S. Raiford	2008	2009	325	6.6	\$2,145.00
Associate	Landon S. Raiford	2008	2010	370	49.9	\$18,463.00
Associate	Jonathan W. Riley	2009	2010	325	23.7	\$7,702.50
Associate	Adam C.G. Ringguth	2008	2009	325	1,568.8	\$509,860.00
Associate	Adam C.G. Ringguth	2008	2010	370	129.0	\$47,730.00
Associate	Aaron-Michael H. Sapp	2008	2009	325	1,924.5	\$625,462.50
Associate	Aaron-Michael H. Sapp	2008	2010	370	334.6	\$123,802.00
Associate	Shorge K. Sato	2002	2009	495	1,272.3	\$629,788.50
Associate	Shorge K. Sato	2002	2010	540	228.9	\$123,606.00
Associate	David P. Saunders	2007	2009	400	11.0	\$4,400.00
Associate	Trevor F. Schrage	2008	2009	325	1,255.4	\$408,005.00
Associate	Trevor F. Schrage	2008	2010	370	249.4	\$92,278.00
Associate	Ashley M. Schumacher	2008	2009	325	79.4	\$25,805.00
Associate	Ashley M. Schumacher	2008	2010	370	12.5	\$4,625.00
Associate	Eric J. Schwab	2007	2009	370	1,899.8	\$702,926.00

<b>Position</b>	<b>Name</b>	<b>Admitted to Practice</b>	<b>Fee Year</b>	<b>Rate<sup>7</sup></b>	<b>Hours</b>	<b>Amount</b>
Associate	Eric J. Schwab	2007	2010	400	188.3	\$75,320.00
Associate	Anwar T. Shatat	2006	2010	445	22.2	\$9,879.00
Associate	Jeffrey R. Shuman	2003	2009	495	9.0	\$4,455.00
Associate	Michele L. Slachetka	2008	2009	325	280.3	\$91,097.50
Associate	Michele L. Slachetka	2008	2010	370	207.6	\$76,812.00
Associate	Valery K. Slosman	2008	2009	325	696.9	\$226,492.50
Associate	Nicholas O. Stephanopoulos	2008	2010	445	6.6	\$2,937.00
Associate	Sarah F. Terman	2008	2009	325	1,141.1	\$370,857.50
Associate	Sarah F. Terman	2008	2010	370	123.8	\$45,806.00
Associate	Adam G. Unikowsky	2008	2009	370	58.9	\$21,793.00
Associate	Adam G. Unikowsky	2008	2010	400	48.1	\$19,240.00
Associate	Andrew W. Vail	2003	2009	495	801.1	\$396,544.50
Associate	Andrew W. Vail	2003	2010	540	249.9	\$134,946.00
Associate	Krishanti Vignarajah	2009	2010	370	250.9	\$92,833.00
Associate	Richard M. Wallace	2008	2009	325	794.9	\$258,342.50
Associate	Richard M. Wallace	2008	2010	370	115.0	\$42,550.00
Associate	William P. Wallenstein	2006	2009	400	2,241.0	\$896,400.00
Associate	William P. Wallenstein	2006	2010	445	135.6	\$60,342.00
Associate	Chelsea L. Warren	2009	2010	325	128.7	\$41,827.50
Associate	Erinn L. Wehrman	2003	2009	495	134.8	\$66,726.00
Associate	Daniel I. Weiner	2006	2010	490	13.4	\$6,566.00
Associate	Benjamin P. Wieck	2006	2010	445	30.3	\$13,483.50
Associate	Brian J. Wilson	2007	2009	370	574.9	\$212,713.00
Associate	Brian J. Wilson	2007	2010	400	16.4	\$6,560.00
Associate	Thomas M. Winegar	2008	2009	325	1,536.6	\$499,395.00
Associate	Thomas M. Winegar	2008	2010	370	179.8	\$66,526.00
Associate	Jacob P. Zipfel	2008	2009	325	2,208.2	\$717,665.00
Associate	Jacob P. Zipfel	2008	2010	370	377.2	\$139,564.00
<b>Associate Total</b>					<b>79,833.0</b>	<b>\$30,578,470.50</b>
<b>Total Attorney Time</b>					<b>112,807.5</b>	<b>\$53,273,777.00</b>
<b>Less 10% Reduction</b>						<b>(\$5,327,377.70)</b>
<b>Total Attorney Time at Reduced Rate</b>						<b>\$47,946,399.30</b>
<b>Blended Hourly Rate for Attorneys</b>						<b>\$425.03</b>

Position	Name	Fee Year	Rate <sup>8</sup>	Hours	Amount
Paralegal	Lamia K. Azize	2009	270	172.5	\$46,575.00
Paralegal	Lamia K. Azize	2010	270	150.0	\$40,500.00
Paralegal	Wenette Belcher	2009	255	266.4	\$67,932.00
Paralegal	Wenette Belcher	2010	255	323.9	\$82,594.50
Paralegal	Wenette Bradford	2009	255	262.6	\$66,963.00
Paralegal	Daniel R. Gross	2009	255	60.5	\$15,427.50
Paralegal	Jeanne C. Haske	2009	255	13.4	\$3,417.00
Paralegal	Jeanne C. Haske	2010	255	76.6	\$19,533.00
Paralegal	Micah B. Horan	2009	270	288.2	\$77,814.00
Paralegal	Micah B. Horan	2010	270	198.9	\$53,703.00
Paralegal	W. Michael Hughes	2010	230	179.9	\$41,377.00
Paralegal	Michael H. Matlock	2009	270	517.7	\$139,779.00
Paralegal	Michael H. Matlock	2010	275	163.2	\$44,880.00
Paralegal	Shawn K. McGee	2009	270	484.8	\$130,896.00
Paralegal	Shawn K. McGee	2010	275	18.5	\$5,087.50
Paralegal	Jessica M. Merkouris	2009	270	13.9	\$3,753.00
Paralegal	Jessica M. Merkouris	2010	275	21.8	\$5,995.00
Paralegal	Daniel K. Morgan	2009	230	14.6	\$3,358.00
Paralegal	Mariann Murphy	2009	270	11.0	\$2,970.00
Paralegal	Cleopatra S. Murray	2009	230	795.1	\$182,873.00
Paralegal	Cleopatra S. Murray	2010	230	187.0	\$43,010.00
Paralegal	Cheryl L. Olson	2009	270	1.9	\$513.00
Paralegal	Jeffrey K. Phillips	2009	230	365.0	\$83,950.00
Paralegal	Jeffrey K. Phillips	2010	230	307.9	\$70,817.00
Paralegal	Aubrey L. Rettig	2009	255	799.9	\$203,974.50
Paralegal	Aubrey L. Rettig	2010	255	306.2	\$78,081.00
Paralegal	Shannon R. Roberts	2009	220	145.7	\$32,054.00
Paralegal	Shannon R. Roberts	2010	220	145.0	\$31,900.00
Paralegal	Eileen J. Robertson	2009	230	14.7	\$3,381.00
Paralegal	Lilia V. Rozhkova	2009	230	12.5	\$2,875.00
Paralegal	Mark R. Scholl	2009	270	1,007.6	\$272,052.00
Paralegal	Mark R. Scholl	2010	270	354.6	\$95,742.00

<sup>8</sup> These rates do not reflect the 10% reduction in the standard hourly rates to which the Examiner and Jenner & Block agreed because of the significant public interest associated with the Examiner's duties and responsibilities. The 10% reduction is applied to the Total Paraprofessional Time amount.

<b>Position</b>	<b>Name</b>	<b>Fee Year</b>	<b>Rate<sup>8</sup></b>	<b>Hours</b>	<b>Amount</b>
Paralegal	Julie H. Shaw	2009	255	5.0	\$1,275.00
Paralegal	Julie H. Shaw	2010	255	155.4	\$39,627.00
Paralegal	Christopher R. Ward	2009	255	2,070.9	\$528,079.50
Paralegal	Christopher R. Ward	2010	255	768.9	\$196,069.50
Technology Ass't	Jennifer Anderson	2009	275	3.0	\$825.00
Technology Ass't	Daniel Biemer	2009	275	244.8	\$67,320.00
Technology Ass't	Tunde Holloway-Wusu	2009	275	38.0	\$10,450.00
Technology Ass't	Kelly A. Laughran	2009	275	44.6	\$12,265.00
Technology Ass't	Kelly A. Laughran	2010	275	21.5	\$5,912.50
Technology Ass't	Lory I. Manheimer	2009	275	1,298.1	\$356,977.50
Technology Ass't	Lory I. Manheimer	2010	275	266.8	\$73,370.00
Technology Ass't	Zulaikha Master	2009	275	592.6	\$162,965.00
Technology Ass't	Zulaikha Master	2010	275	311.1	\$85,552.50
Technology Ass't	Robert R. Ohton, Jr.	2009	275	14.0	\$3,850.00
Technology Ass't	James B. Salla	2009	275	5.0	\$1,375.00
Research Librarian	Lisa A. Ross	2009	260	31.3	\$8,138.00
Research Librarian	Mary E. Ruddy	2009	260	11.3	\$2,938.00
Project Assistant	Herman R. Barrios	2009	160	94.2	\$15,072.00
Project Assistant	Holley M. Brandchaft-White	2009	160	17.4	\$2,784.00
Project Assistant	Catherine L. Chu	2009	160	57.5	\$9,200.00
Project Assistant	Catherine L. Chu	2010	160	81.1	\$12,976.00
Project Assistant	Joseph M. Conley	2009	170	191.4	\$32,538.00
Project Assistant	Allison Crowe	2009	160	10.5	\$1,680.00
Project Assistant	Emily A. Flores	2009	160	1,694.5	\$271,120.00
Project Assistant	Emily A. Flores	2010	160	639.0	\$102,240.00
Project Assistant	Daniel O. Garcia	2009	160	36.3	\$5,808.00
Project Assistant	Casey J. Gioielli	2009	170	63.7	\$10,829.00
Project Assistant	Casey J. Gioielli	2010	170	23.9	\$4,063.00
Project Assistant	Nancy L. Gonzalez	2009	150	68.3	\$10,245.00
Project Assistant	Samuel C. Gray	2009	170	16.8	\$2,856.00
Project Assistant	Arjumand Hamid	2009	160	15.5	\$2,480.00
Project Assistant	Jonathan Hollis	2009	160	89.8	\$14,368.00
Project Assistant	Omar N. Khan	2009	170	3.5	\$595.00
Project Assistant	Yong Joon Lee	2009	160	362.6	\$58,016.00
Project Assistant	Yong Joon Lee	2010	160	231.4	\$37,024.00
Project Assistant	Alexander S. Malson	2009	160	6.3	\$1,008.00
Project Assistant	Alexander S. Malson	2010	160	35.4	\$5,664.00
Project Assistant	Marc A. Patterson	2009	170	8.3	\$1,411.00

<b>Position</b>	<b>Name</b>	<b>Fee Year</b>	<b>Rate<sup>8</sup></b>	<b>Hours</b>	<b>Amount</b>
Project Assistant	Marc A. Patterson	2010	170	6.4	\$1,088.00
Project Assistant	Gretchen J. Pinnick	2009	160	195.6	\$31,296.00
Project Assistant	Gretchen J. Pinnick	2010	160	270.2	\$43,232.00
Project Assistant	Lauren R. Prather	2009	170	10.8	\$1,836.00
Project Assistant	Panagiota Ramos	2009	170	388.9	\$66,113.00
Project Assistant	Panagiota Ramos	2010	170	219.9	\$37,383.00
Project Assistant	Alexander M. Righi	2009	160	904.1	\$144,656.00
Project Assistant	Alexander M. Righi	2010	160	376.2	\$60,192.00
Project Assistant	Jonathan W. Striegel	2009	170	32.3	\$5,491.00
Project Assistant	Jonathan W. Striegel	2010	170	106.8	\$18,156.00
Project Assistant	Adrienne P. Thacher	2009	160	181.4	\$29,024.00
Project Assistant	Adrienne P. Thacher	2010	160	38.4	\$6,144.00
Project Assistant	Kenneth S. Waldmann	2009	170	1,338.5	\$227,545.00
Project Assistant	Kenneth S. Waldmann	2010	170	261.8	\$44,506.00
Project Assistant	Lauren E. Wang	2009	160	707.2	\$113,152.00
Project Assistant	Lauren E. Wang	2010	160	87.3	\$13,968.00
<b>Total Paraprofessional Time</b>				<b>22,437.0</b>	<b>\$4,956,525.50</b>
<b>Less 10% Reduction</b>					<b>(\$495,652.55)</b>
<b>Total Paraprofessional Time at Reduced Rate</b>					<b>\$4,460,872.95</b>

<b>Total Amount for Services Rendered (Attorneys and Paraprofessionals)</b>	<b>\$58,230,302.50</b>
<b>Less 10% Reduction</b>	<b>(\$5,823,030.25)</b>
<b>Less 50% Non-Working Travel Time Reduction</b>	<b>(\$522,104.64)</b>
<b>Less Fee Committee Reduction</b>	<b>(\$613,317.81)</b>
<b>Total Amount of Fees Requested for Services Rendered (January 19, 2009 - July 12, 2010)</b>	<b>\$51,271,849.80</b>



Hearing Date: April 18, 2012  
Objection Deadline: April 11, 2012

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Attorneys for the Examiner

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
In re	:	Chapter 11
	:	
LEHMAN BROTHERS HOLDINGS INC., <u>et al.</u> ,	:	Case No. 08-13555 (JMP)
	:	
Debtors.	:	(Jointly Administered)
-----X	:	

**FINAL FEE APPLICATION OF THE EXAMINER AND  
JENNER & BLOCK LLP FOR ALLOWANCE OF COMPENSATION  
FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES**

**TO THE HONORABLE JAMES M PECK  
UNITED STATES BANKRUPTCY JUDGE**

Anton R. Valukas, the Examiner (the "Examiner") appointed for Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors (collectively, the "Debtors") in the above-captioned bankruptcy cases, and Jenner & Block LLP ("Jenner & Block"), counsel to the Examiner, by this final fee application (the "Final Fee Application") pursuant to sections 330(a) and 331 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the

Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), seek (i) final allowance and payment of reasonable compensation for actual and necessary professional services performed by the Examiner and Jenner & Block in the aggregate amount of \$51,271,849.80 for the period from January 19, 2009 through and including July 12, 2010 (the “Compensation Period”);<sup>9</sup> and (ii) reimbursement of actual, reasonable and necessary expenses in the aggregate amount of \$7,906,417.06, incurred during the Compensation Period.

### **Preliminary Statement**

1. On January 16, 2009, the Court entered an order directing the United States Trustee to appoint an examiner as soon as practicable in these chapter 11 cases. The examiner was to investigate ten bulleted topics and perform the duties specified in sections 1106(a)(3) and (4) of the Bankruptcy Code. In general, the examiner’s duty was to investigate the events leading to Lehman’s failure and whether colorable claims arose therefrom. On January 19, 2009, the United States Trustee appointed Anton R. Valukas as Examiner, which the Court approved on January 20, 2009. On February 11, 2009, the Court approved the Examiner’s request to employ Jenner & Block as his counsel.

2. Despite the complexity of Lehman’s bankruptcy and the broad scope of the Examiner’s investigation, the time available for the examination was limited by the practical needs of the bankruptcy case. The Examiner and his professionals diligently and efficiently worked to prepare a comprehensive 2,200-page report within just over one year after the

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<sup>9</sup> As noted on the Summary Sheet above, pursuant to Paragraph 4 of the Order Discharging Examiner and Granting Related Relief [Docket No. 10169], after the entry of that Order, the Examiner and Jenner & Block were required to submit fee applications only for fees and expenses that exceeded \$150,000 in any month. The Examiner’s and Jenner & Block’s fees and expenses never met that threshold after July 12, 2010. The total fees and expenses for the entire period from July 13, 2010 through February 29, 2012 were \$261,422.30 and \$3,992.03, respectively.

Examiner was appointed. On February 8, 2010, the Examiner filed his report under seal with the Court, publicly filed a partially redacted version on March 11, 2010, and publicly filed a full, unredacted version on April 14, 2010.

3. The Examiner's work, which is detailed in the report and summarized in this application, included sifting through approximately three petabytes of data – roughly the equivalent of 350 billion pages – using document custodian and term searches to cull out the most promising subset of electronic material for review. The Examiner also requested and received electronic and hard copy documents from numerous third parties and Government agencies and, in total, collected in excess of five million documents, estimated to comprise more than 40 million pages.

4. The Examiner and his professionals also navigated Lehman's operating, trading, valuation, financial, accounting, and other data systems to collect the information necessary to complete the investigation. This process was challenging given Lehman's patchwork of 2,600 software systems and applications, the complexity and accessibility of those systems, and the hurried filing that commenced these cases. In the end, the Examiner and his professionals were able to obtain sufficient data to inform and support the Examiner's report.

5. Two other key elements of the Examiner's investigation included witness interviews and cooperation and coordination with the Government and third parties. The Examiner interviewed more than 250 individuals and regularly communicated with Lehman's counsel, the trustee of Lehman's stock broker subsidiary (Lehman Brothers, Inc.), the SEC, and three United States Attorney Offices, among others. The speed with which the Examiner completed his investigation and report would not have been achievable if the Examiner had not received the cooperation of these parties and others.

6. In the end, the Examiner filed a report that fulfilled the mandate set forth in the Court's order appointing an examiner and provided a factual account so that parties could use the facts to resolve matters in these incredibly complex cases. The Examiner's report was one of the phases of the largest bankruptcy in United States history, which was conducted in an orderly and efficient manner and recently culminated in the effectiveness of a consensual Chapter 11 plan.

7. To aid this Court in analyzing this Final Fee Application, the Examiner and Jenner & Block have divided it into four parts. Part I provides a brief background of the Debtors' cases and the Examiner's appointment. Part II provides an overview of the Final Fee Application. Part III provides a description of the work performed by the Examiner and Jenner & Block during the Compensation Period, by category, as well as how the Examiner and Jenner & Block calculated this compensation request. Finally, Part IV explains why this compensation request should be allowed.

### **I. Background**

8. Commencing on September 15, 2008, and periodically thereafter, LBHI and certain of its direct and indirect subsidiaries commenced with this Court voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Bankruptcy Rules. Prior to the Effective Date (as defined below), the Debtors continued to operate their businesses and manage their properties as debtors in possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

9. On September 17, 2008, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed the statutory committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the "Creditors' Committee").

10. On September 19, 2008, a proceeding was commenced under the Securities Investor Protection Act of 1970 (“SIPA”) with respect to Lehman Brothers Inc. (“LBI”). A trustee appointed under SIPA (the “SIPA Trustee”) is administering LBI’s estate.

11. On January 16, 2009, the Court entered an order (the “Examiner Order”) directing the appointment of an examiner, pursuant to 11 U.S.C. § 1104(c)(2), to investigate, *inter alia*, various transfers and transactions by the Debtors and their affiliates, claims that certain Debtors may have against LBHI, and the events that immediately preceded the commencement of the LBHI chapter 11 case (collectively, the “Investigation”). Examiner Order at ¶ 2 [Docket No. 2569]. The Examiner Order also directed the examiner to “perform the duties specified in sections 1106(a)(3) and (4) of the Bankruptcy Code, except to the extent the Court orders otherwise.” *Id.* at ¶ 3.

12. On January 19, 2009, the U.S. Trustee appointed Anton R. Valukas as examiner in the chapter 11 cases, subject to Court approval, and filed her notice of such appointment. [Docket No. 2570]. On January 20, 2009, the U.S. Trustee filed her application for an Order of this Court approving the appointment of Anton R. Valukas as examiner in the chapter 11 cases. [Docket No. 2571]. On January 20, 2009, this Court entered an order approving the appointment by the U.S. Trustee of Anton R. Valukas as Examiner in the chapter 11 cases. [Docket No. 2583]. On January 23, 2009, the Examiner filed his Application to Employ Jenner & Block LLP as Counsel to the Examiner. [Docket No. 2627]. On February 11, 2009, this Court entered the

Order Authorizing the Examiner to Retain and Employ Jenner & Block LLP as his Counsel *nunc pro tunc* as of January 19, 2009. [Docket No. 2803].<sup>10</sup>

13. On February 13, 2009, the Examiner filed an application to retain Duff & Phelps, LLC as his financial advisor. [Docket No. 2825]. The Court approved the application on February 25, 2009. [Docket No. 2924]. On April 29, May 15, and June 30, the Examiner filed applications to retain contract attorneys to perform specific document review tasks. [Docket Nos. 3457, 3582, 4239].<sup>11</sup> The applications were approved by the Court on May 15, June 3, and July 16, respectively. [Docket Nos. 3577, 2750, 4428].

14. On February 8, 2010, the Examiner filed with the Court under seal the Report of Examiner Anton R. Valukas (the “Report”), pursuant to the Court’s Order Authorizing the Examiner to File the Examiner’s Report Under Seal. [Docket No. 7024]. On March 11, 2010, the Examiner publicly filed a partially redacted version of the Report [Docket No. 7531], and substituted an unredacted version of the Report with the Court under seal pursuant to the Bankruptcy Court’s Order dated March 11, 2010, [Docket No. 7530]. On April 14, 2010, the Examiner filed an unredacted version of Volume 5 of the Report. [Docket No. 8307].

15. On March 15, 2010, the Debtors filed the Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors. [Docket No. 7572]. On April 14, 2010, the Debtors filed a revised Joint Chapter 11 Plan and related Disclosure Statement. [Docket Nos. 8330, 8332].

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<sup>10</sup> On May 28, 2009, November 6, 2009, April 9, 2010, and November 12, 2010, Jenner & Block filed supplemental declarations disclosing connections with certain creditors and other parties-in-interest. [Docket Nos. 3676, 5752, 8198, 12718].

<sup>11</sup> On July 8, 2009, the Examiner filed 10 additional affidavits of disinterestedness in connection with his third application to retain contract attorneys. [Docket No. 4296].

16. On July 13, 2010, the Court entered an Order Discharging Examiner and Granting Related Relief (the “Discharge Order”). [Docket No. 10169]. The Discharge Order terminated the appointment of the Examiner and discharged the Examiner and his professionals “from any further obligations, duties, or responsibilities except as otherwise set forth in [the Discharge Order].” Among other things, the Discharge Order permits the Examiner and his professionals to continue to provide cooperation to various parties involved in these chapter 11 cases, and permits the Examiner and his professionals to be reimbursed by the Debtors for fees and expenses without further order of the Court, unless such fees and expenses exceeded \$150,000 in a particular month, in which case the Examiner and his professionals were required to file a fee application.

17. On January 24, 2011, the Court entered an order modifying the composition of the fee committee (the “Fee Committee”) that had previously been appointed in these chapter 11 cases. [Docket No. 14117]. On April 14, 2011, the Bankruptcy Court entered an order approving a revised fee protocol setting forth certain procedures and guidelines with respect to the fees and expenses of retained professionals in these cases. [Docket No. 15998].

18. On January 25, 2011, the Debtors filed the First Amended Joint Chapter 11 Plan and related Disclosure Statement. [Docket Nos. 14150, 14151]. On June 30, 2011, the Debtors filed the Second Amended Joint Chapter 11 Plan and related Disclosure Statement. [Docket Nos. 18204, 18205]. On September 1, 2011, the Debtors filed the Third Amended Joint Chapter 11 Plan (the “Plan”) and related Disclosure Statement. [Docket Nos. 19627, 19629].

19. On September 1, 2011, the Bankruptcy Court entered an amended order approving the Disclosure Statement, establishing solicitation and voting procedures in connection with the Plan, scheduling the confirmation hearing, and establishing notice and

objection procedures for the confirmation hearing. [Docket No. 19631]. On September 15, 2011, the Bankruptcy Court entered an order approving a modification to the Disclosure Statement. [Docket No. 20016] .

20. On December 6, 2011, the Court entered an Order Confirming Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. And Its Affiliated Debtors. [Docket No. 23023]. On March 6, 2012, the Plan, as modified, became effective (the “Effective Date”).

## **II. Final Fee Application**

21. The Examiner and Jenner & Block have prepared this Final Fee Application in accordance with the Administrative Order Re: Amended Guidelines for Fees and Disbursements for Professionals in Southern District of New York Bankruptcy Cases dated November 25, 2009 (the “Amended SDNY Guidelines”), and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 promulgated by the United States Department of Justice dated January 30, 1996 (the “UST Guidelines” and together with the Amended SDNY Guidelines, the “Guidelines”). Pursuant to the Amended SDNY Guidelines, a certification regarding compliance with such guidelines is attached hereto as Exhibit A.

22. The Examiner and Jenner & Block also have prepared their time and expense entries to comply with guidelines proposed by the Fee Committee. To the extent that any time or expense entries may not have fully complied with the Guidelines, the Examiner and Jenner & Block have negotiated agreed upon reductions with the Fee Committee. The Examiner and Jenner & Block have provided the Fee Committee’s counsel with a copy of this Final Fee Application and understand that the Fee Committee does not object to the amounts requested herein.



23. The Examiner and Jenner & Block seek final allowance herein of reasonable compensation for actual and necessary professional services rendered by and to the Examiner during the Compensation Period, in the aggregate amount of \$51,271,849.80 and for reimbursement of actual, reasonable and necessary expenses incurred during the Compensation Period in connection with the rendition of such services in the aggregate amount of \$7,906,417.06.

24. The fees sought by this Final Fee Application reflect an aggregate of 135,244.50 hours of attorney and paraprofessional time spent and recorded in performing services by and for the Examiner during the Compensation Period. This aggregate amount does not include time that might be construed as duplicative or otherwise not beneficial to the Examiner's Investigation. Of the aggregate time expended during the Compensation Period, 31,594.6 recorded hours were expended by partners, 1,379.9 recorded hours were expended by of counsel or staff attorneys, 79,833.0 recorded hours were expended by associates, and 22,437.0 recorded hours were expended by paraprofessionals. During the Compensation Period, the Examiner's and Jenner & Block's hourly billing rates for attorneys working on these matters ranged from \$235.00 to \$975.00 per hour before applying the agreed upon 10% rate reduction. Allowance of compensation in the amount requested, without applying the non-working travel time and Fee Committee reductions, would result in a blended hourly billing rate for attorneys of approximately \$425.03.

25. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in comparable non-bankruptcy cases in a competitive national legal market.

26. Pursuant to the Guidelines, annexed hereto as Exhibit B is a schedule setting forth all Jenner & Block professionals and paraprofessionals who have performed services for the Examiner during the Compensation Period for which the Examiner and Jenner & Block are seeking reimbursement, the position in which each such individual was employed by Jenner & Block at the time the services were rendered, the hourly billing rate charged for services performed by such individual, the aggregate number of hours expended and fees billed therefore, and as to attorneys, the year in which the attorney was first licensed to practice law.

27. Pursuant to the UST Guidelines, annexed hereto as Exhibit C is a summary by project matter of the fees generated by the services performed during the Compensation Period and, for each separate project matter, a list of each person providing services on the project, a statement of the number of hours spent, and the amount of compensation requested for each person on the project.

28. Annexed hereto as Exhibit D is a schedule specifying the categories of expenses for which the Examiner and Jenner & Block are seeking reimbursement and the total amount for each such expense category; Exhibit D also includes a table that provides additional detail regarding each of the disbursement expenses for contract attorney wages during the Compensation Period. This schedule has not been adjusted to account for the expense reductions upon which the Examiner, Jenner & Block, and the Fee Committee agreed and for which the Examiner and Jenner & Block are not seeking reimbursement.

29. Detailed lists of all expenses for which the Examiner and Jenner & Block seek reimbursement, as well as detailed records of the time spent by all attorneys and paraprofessionals in connection with the representation of the Examiner, were filed as exhibits to the Examiner's and Jenner & Block's interim fee applications [Docket Nos. 3319, 4808, 6188,

8404, 10779, 13462]. These lists, however, do not take into account the reductions arising from negotiations with the Fee Committee. The Examiner and Jenner & Block have not specifically identified the detailed time records and expense entries which continue to appear in the detailed time records and expense entries previously filed and to which those reductions apply.

30. The Examiner and Jenner & Block previously have submitted unredacted versions of their detailed time records and expense entries to the Chair of the Fee Committee, under a confidentiality letter agreement, and to the Office of the United States Trustee. The Examiner and Jenner & Block prepared and filed redacted versions of the detailed time records and expense entries in order to comply with the confidentiality requirement of paragraph 5 of the Court's January 16, 2009 order directing the appointment of an examiner, pursuant to 11 U.S.C. § 1104(c)(2).

31. The fees charged by the Examiner and Jenner & Block in these cases reflect an agreed upon 10% reduction from standard hourly rates because of the significant public interest associated with the Examiner's duties and responsibilities. The fees are otherwise billed in accordance with Jenner & Block's general existing billing rates and procedures in effect during the Compensation Period. The rates the Examiner and Jenner & Block charged for the services rendered by its professionals and paraprofessionals to the Examiner are the rates charged by the Examiner and the firm for professional and paraprofessional services rendered in comparable bankruptcy and non-bankruptcy matters. Such fees are reasonable based on the customary compensation charged by comparably skilled practitioners in a competitive national legal market in cases other than cases under title 11.

32. All of the services for which final compensation is sought were rendered by or to the Examiner solely in furtherance of his duties and functions as Examiner and not on behalf of any individual creditor or other person.

33. The Examiner and Jenner & Block have not entered into any agreement, express or implied, with any other party for the purpose of fixing or sharing fees or other compensation to be paid for professional services rendered in these cases.

34. The Examiner and Jenner & Block have not shared, nor agreed to share, (a) any compensation they have received or may receive with another party or person, other than with the members, counsel and associates of the firm, or (b) any compensation another person or party has received or may receive. No promises have been received by the Examiner or Jenner & Block as to compensation in connection with these cases other than in accordance with the provisions of the Bankruptcy Code.

### **III. Summary of Professional Compensation and Reimbursement of Expenses Requested**

35. As reported in the First Interim Fee Application, immediately following the Examiner's appointment, the Examiner performed a wide variety of tasks in connection with the Investigation.<sup>12</sup> These included, among other things: (a) assembling publicly available materials; (b) meeting and conferring with various parties to develop a work plan and to coordinate to avoid duplication of effort; (c) coordinating with agencies of the U.S. Government; (d) contacting examiners in other complex matters for assistance in developing an efficient work plan; (e) entering into stipulations with the Debtors and the Creditors' Committee to obtain access to documents and other materials; (f) filing a Rule 2004 motion that requested omnibus

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<sup>12</sup> Except as otherwise noted, references to steps taken by the Examiner include both the Examiner and Jenner & Block.

authority to issue subpoenas, including document requests, upon witnesses;<sup>13</sup> and (g) establishing a depository to collect documents, transcripts, and other materials.

36. As reported in the Second Interim Fee Application, the Examiner continued the Investigation by: (a) finalizing and transmitting the Examiner's Preliminary Work Plan to the Court and parties-in-interest; (b) meeting with the Examiner's financial advisor, Duff & Phelps, to coordinate the Investigation;<sup>14</sup> (c) conferring with the Debtors, the Creditors' Committee, and other parties involved in the case to eliminate duplication and to make the work product being generated useful to other parties in the future; (d) meeting with professionals at Alvarez & Marsal to ascertain what data and documents were available, how the data and documents could be accessed, and what analysis had already been performed; (e) entering into stipulations with various parties; and (f) communicating with the Office of the United States Trustee, the SIPA Trustee, and agencies of the U.S. Government.

37. The Examiner also: (a) collaborated with the Debtors and other parties involved in the Investigation to begin the process of collecting, managing, and reviewing documents; (b) obtained authority from the Court to retain contract attorneys to perform document review; (c) commenced witness interviews in early February; (d) held a weekly meeting with team leaders to coordinate the investigation, maximize efficiency, avoid duplication, and draw on the expertise and experience of his professionals; and (e) prepared factual and legal memoranda as information was discovered during the course of the Investigation.

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<sup>13</sup> The Court granted the 2004 motion on February 11, 2009. [Docket No. 2804].

<sup>14</sup> On February 13, 2009, the Examiner filed an application to retain Duff & Phelps, LLC as his financial advisor. [Docket No. 2825]. The Court approved the application on February 25, 2009. [Docket No. 2924].

38. As reported in the Third Interim Fee Application, many of these activities continued from June through September 2009 as the Examiner's Investigation advanced. Specifically, the Examiner: (a) remained in communication with parties involved in the case, including the U.S. Government, to eliminate duplication of effort, to make the work product being generated useful to other parties in the future, and to obtain documents relevant to the Investigation; (b) collected and reviewed millions of pages of documents; (c) entered into court-approved confidentiality stipulations regarding documents with several parties; and (d) managed "claw-back" requests and other privilege related issues arising in connection with the Examiner's document review.

39. Also as reported in the Third Interim Fee Application, the Examiner: (a) conducted 123 witness interviews;<sup>15</sup> (b) prepared outlines and work plans for drafting sections of the Examiner's final Report; (c) began drafting sections of the final Report; (d) worked with Duff & Phelps to identify analyses necessary for the Report; (e) identified public domain materials that related to the Investigation; (f) tracked witness, interview, and document information so as to coordinate among team members; (g) conducted legal research on potential claims to be analyzed as required by the Examiner Order; and (h) continued to hold a weekly team leaders meeting to coordinate the Investigation.

40. As reported in the Fourth Interim Fee Application, many of these activities continued from October 2009 through January 2010 as the Examiner completed his Investigation and prepared his Report, including (a) conducting an additional 151 witness interviews; (b) tracking witness, interview, and document information; (c) pursuing, collecting, and

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<sup>15</sup> These numbers include depositions taken by other parties which the Examiner participated in or attended.

reviewing documents and public domain materials relating to the Investigation; (d) entering into additional, court-approved confidentiality stipulations with various parties; (e) managing privilege related issues arising in the connection with the Examiner's document review; (f) analyzing evidence and legal research regarding potential claims to be reported on; (g) finalizing the substance of the Examiner's Report; and (h) integrating the various sections of the Report.

41. As reported in the Fifth Interim Fee Application, the Examiner finalized his Report and filed it with the Court under seal on February 8, 2010. On March 11, 2010, the Examiner publicly filed a partially redacted version of the Report [Docket No. 7531], and, on April 14, 2010, the Examiner filed an unredacted version of Volume 5 of the Report [Docket No. 8307]. The Examiner also (a) communicated with various parties-in-interest regarding the Report, including the Debtors, the SIPA Trustee, the U.S. Trustee, and the U.S. Government; (b) communicated with various third parties regarding confidentiality and privilege issues; (c) took steps to preserve the document and data repositories utilized by the Examiner during the course of his Investigation; and (d) prepared and negotiated proposed orders to make the Report publicly available and to terminate the Examiner's appointment.

42. As reported in the Sixth Interim Fee Application, the Examiner's work during that period principally related to the preparation and negotiation of the Examiner Discharge Order and responding to the Fee Committee regarding Jenner & Block's Fourth Interim Fee Application. On June 2, the Examiner filed the Examiner's Motion for Order Discharging Examiner and Grating Related Relief (the "Discharge Motion"). [Docket No. 9361]. On June 16, the Court held a hearing on the Examiner's Discharge Motion. Thereafter, the Examiner communicated with the Debtors and other parties-in-interest regarding the form of an order

approving the Examiner's discharge. Following those communications, an agreed upon form of order was submitted to the Court, and the Court entered the Discharge Order on July 13, 2010.

**A. Specific Project Matters**

43. As noted above, Exhibit C is a summary by project matter of the fees generated during the Compensation Period. The following are descriptions of the project matters. The tasks described therein were all necessary and beneficial to the estate because they were necessary to fulfill the Examiner's duties set forth in the Examiner Order. The descriptions include a statement of the aggregate number of hours spent and fees charged for each matter after applying the 10% reduction. The professionals providing services on each project matter are listed on Exhibit C.

**B. Case Administration**

44. This matter related to work performed in maintaining and updating an internal website (SharePoint) to serve as a depository of documents, correspondence, and information, including calendar, contact, and witness information, for all attorneys and paraprofessionals working on the case. This matter also included time spent: (i) preparing declarations in support of the Examiner's appointment and Jenner & Block's retention; (ii) in connection with a weekly paraprofessional coordination meeting; and (iii) winding down the Examiner's Investigation. These tasks were necessary to complete the Investigation in a thorough yet efficient manner.

45. During the Compensation Period, Jenner & Block expended 1,109.5 hours, at an aggregate charge of \$267,686.55, on matters relating to case administration.

**C. Examiner**

46. This matter included all the Examiner's time spent performing his duties under the Examiner Order and Bankruptcy Code. The Examiner's activities included:

(i) communicating with various parties-in-interest and agencies of the U.S. Government



regarding the Investigation to arrange for cooperation and avoid duplication of effort, among other things; (ii) reviewing court transcripts and documents regarding background for the Investigation; (iii) preparing a work plan and budget for the Investigation; (iv) selecting and coordinating with his financial advisors; (v) conferring with members of his investigatory team regarding work plans, timelines, findings, and draft sections of the Examiner's Report; (vi) reviewing and analyzing key documents, interview summaries, and information prepared and identified by his professionals; (vii) preparing for and interviewing key witnesses; (viii) finalizing his Report; and (ix) preparing for and attending Court hearings. These tasks were necessary to fulfill the Examiner's duties set forth in the Examiner Order.

47. During the Compensation Period, the Examiner expended 1,342.5 hours, at an aggregate charge of \$1,131,959.25, on matters relating to performing his duties as Examiner and conducting the Investigation.<sup>16</sup>

**D. Court Hearings**

48. During the Compensation Period, Jenner & Block expended 78.9 hours, at an aggregate charge of \$47,830.05, attending Court hearings regarding matters related to the Investigation, including: (i) Jenner & Block's and Duff & Phelps' retention applications; (ii) the Examiner's 2004 motion; (iii) the Examiner's work plan; (iv) the Examiner's motions to retain contract attorneys; (v) fee application and Fee Committee-related matters; (vi) the scope of the Investigation; (vii) the status of the Investigation and the Examiner's Report; (viii) finalizing and filing the Report; and (ix) the Examiner's Discharge Order.

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<sup>16</sup> The Examiner's non-working travel time is not included in this matter, but is billed under "Non-Working Travel Time" so that the 50% reduction could be applied to such time.

**E. Report Preparation and Drafting**

49. This matter included all time spent by Jenner & Block attorneys and paraprofessionals drafting sections of the Examiner's Report and working on tasks related to finalizing the Report, including: (i) reviewing exemplar examiner reports from other major bankruptcy cases; (ii) drafting and reviewing outlines for the Report; (iii) drafting specific sections of the Report that were not specific to one of the investigatory topics, for example, the introduction, chronology, table of key individuals, glossary, section on government involvement, bibliography, table of witnesses, and legal appendix; (iv) reviewing and commenting on proof outlines and sections of the Report to integrate analyses; (v) meeting with team members to discuss Report integration, Report preparation logistics, and final analyses; (vi) establishing and implementing drafting protocols, formatting consistency, and naming conventions; (vii) proofreading and cite-checking final versions of the Report; (viii) indexing, logging, and bates labeling documents cited in the Report; (ix) creating document logs for tracking confidentiality issues to address prior to filing the Report publicly; (x) responding to objections to making the Report publicly available; and (xi) creating a hyperlinked version of the Report whereby readers could access easily the underlying documents cited in the Report.

50. During the Compensation Period, Jenner & Block expended 8,675.1 hours, at an aggregate charge of \$3,594,906.00, on matters relating to Report preparation and drafting.

**F. Governance and Fiduciary Duties**

51. The Examiner Order required the Examiner to investigate, *inter alia*:

- Whether there are colorable claims for breach of fiduciary duties and/or aiding or abetting any such breaches against the officers and directors of LBCC and/or other Debtors arising in connection with the financial distress of the Lehman enterprise prior to the commencement of the LBHI chapter 11 case on September 15, 2008; and
- The events that occurred from September 4, 2008 through September 15, 2008 or prior thereto that may have resulted in commencement of the LBHI chapter 11 case.

Examiner Order, ¶ 2 (fifth and tenth bullets). The Examiner Order also required the Examiner to “perform the duties specified in sections 1106(a)(3) and (4) of the Bankruptcy Code, except to the extent the Court orders otherwise.” Examiner Order, ¶ 3.<sup>17</sup>

52. During the Compensation Period, attorneys who were assigned to these elements of the Investigation: (i) developed and regularly updated work plans and sub-topic work plans for investigating whether there were colorable claims for breaches of fiduciary duties and the events leading up to the commencement of the LBHI chapter 11 case; (ii) reviewed and analyzed extensive documents and materials regarding these issues; (iii) identified and interviewed witnesses with information regarding these elements of the Investigation; (iv) worked with the Examiner’s financial advisors to conduct necessary analyses and data review; (v) researched relevant case law; and (vi) drafted sections of the Examiner’s Report on these issues.

53. Sub-topics investigated by members of this investigatory team included, *inter alia*, risk management, valuation, residential mortgage origination and securitization, commercial real estate investment and financing, leveraged loans, hedging, liquidity and capital adequacy, compensation, survival strategies, and the use of an accounting device known within Lehman as Repo 105.

54. Jenner & Block expended 47,354.9 hours, at an aggregate charge of \$17,633,834.55, on investigating possible colorable claims with respect to the governance and fiduciary duty elements of the Investigation.

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<sup>17</sup> In the detailed time entries submitted by the Examiner and Jenner & Block, use of the term “Team 3” refers to the team assigned to these elements of the Investigation.

**G. Intercompany Transactions**

55. The Examiner Order required the Examiner to investigate, *inter alia*:

- Whether LBCC or any other entity that currently is an LBHI chapter 11 debtor subsidiary or affiliate (“LBHI Affiliate(s)”) has any administrative claims against LBHI resulting from LBHI’s cash sweeps of cash balances, if any, from September 15, 2008, the commencement date of LBHI’s chapter 11 case, through the date that such applicable LBHI affiliate commenced its chapter 11 case;
- All voluntary and involuntary transfers to, and transactions with, affiliates, insiders and creditors of LBCC or its affiliates, in respect of foreign exchange transactions and other assets that were in the possession or control of LBHI Affiliates at any time commencing on September 15, 2008 the day that each LBHI Affiliate commenced its chapter 11 case;
- Whether any LBHI Affiliate has colorable claims against LBHI for potentially insider preferences arising under the Bankruptcy Code or state law;
- Whether any LBHI Affiliate has colorable claims against LBHI or any other entities for potentially voidable transfers or incurrences of debt, under the Bankruptcy Code or otherwise applicable law; and
- The inter-company accounts and transfers among LBHI and its direct and indirect subsidiaries, including but not limited to: LBI, LBIE, Lehman Brothers Special Finance and LBCC, during the 30-day period preceding the commencement of the chapter 11 cases by each debtor on September 15, 2008 or thereafter or such longer period as the Examiner deems relevant to the Investigation.

Examiner Order, ¶ 2 (first, second, third, fourth, and seventh bullets).<sup>18</sup>

56. During the Compensation Period, attorneys who were assigned to these elements of the Investigation: (i) developed and regularly updated work plans and sub-topic work plans for investigating intercompany transfers, the Debtors’ cash management system, and potentially avoidable transfers; (ii) reviewed and analyzed extensive documents and materials regarding these issues; (iii) identified and interviewed witnesses with information regarding these elements of the Investigation; (iv) worked with the Examiner’s financial advisors to conduct necessary

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<sup>18</sup> In the detailed time entries submitted by the Examiner and Jenner & Block, use of the term “Team 2” refers to the team assigned to these elements of the Investigation.

analyses and data review; (v) researched relevant case law; and (vi) drafted sections of the Examiner's Report on these issues.

57. Members of this investigatory team worked closely with the Examiner's financial advisors to identify the relevant transactions to be investigated, conferred on a regular basis with professionals at Alvarez & Marsal regarding the availability of data necessary to identify and analyze these transactions, developed an understanding of the cash management system and internal accounting procedures, reviewed key financial statements, investigated corporate information regarding the LBHI Affiliates, and analyzed Lehman's solvency by reviewing Lehman's asset composition, liquidity and capitalization, and funding sources, among other things.

58. Jenner & Block expended 21,345.5 hours, at an aggregate charge of \$8,658,500.85, on matters relating to the investigation of intercompany transfers.

#### **H. Barclays Transactions**

59. The Examiner Order required the Examiner to investigate, *inter alia*:

- Whether assets of any LBHI Affiliates (other than Lehman Brothers, Inc.) were transferred to Barclays Capital Inc. as a result of the sale to Barclays Capital Inc. that was approved by order of the Bankruptcy Court entered September 20, 2008, and whether consequences to any LBHI Affiliate as a result of the consummation of the transaction created colorable causes of action that inure to the benefit of the creditors of such LBHI subsidiary or affiliate; and
- The transfer of the capital stock of certain subsidiaries of LBI on or about September 19, 2008 to Lehman ALI Inc.

Examiner Order, ¶ 2 (sixth and ninth bullets).<sup>19</sup>

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<sup>19</sup> In the detailed time entries submitted by the Examiner and Jenner & Block, use of the term "Team 5" refers to the team assigned to these elements of the Investigation.

60. During the Compensation Period, attorneys who were assigned to these elements of the Investigation: (i) developed and regularly updated work plans and sub-topic work plans for investigating the identified questions set forth in the Examiner Order regarding the Barclays sale; (ii) reviewed and analyzed extensive documents and materials regarding these issues; (iii) identified and interviewed witnesses with information regarding these elements of the Investigation; (iv) worked with the Examiner's financial advisors to conduct necessary analyses and data review; (v) researched relevant case law; and (vi) drafted sections of the Examiner's Report on these issues.

61. Members of this investigatory team investigated the factual predicate of the Barclays sale to address whether any LBHI Affiliate had a colorable cause of action as a result of that transaction. The Investigation included, *inter alia*, an analysis of the assets and liabilities transferred to Barclays, the circumstances of the sale, available alternatives to the sale, and the transfer of 25 LBI subsidiaries to Lehman ALI just before LBI filed bankruptcy.

62. Jenner & Block expended 8,066.1 hours, at an aggregate charge of \$3,383,994.60, on investigations of whether assets of any LBHI Affiliate were transferred to Barclays, whether the Barclays sale created colorable causes of action that inure to the benefit of the creditors of such LBHI subsidiary or affiliate, and the facts surrounding the transfer of the capital stock of certain subsidiaries of LBI on or about September 19, 2008 to Lehman ALI Inc.

**I. Bank and Other Third Party Transactions**

63. The Examiner Order required the Examiner to investigate, *inter alia*:

- Whether any LBHI Affiliate has colorable claims against LBHI or any other entities for potentially voidable transfers or incurrences of debt, under the Bankruptcy Code or otherwise applicable law; and
- The transactions and transfers, including but not limited to the pledging or granting of collateral security interest among the debtors and the prechapter 11 lenders and/or

financial participants including but not limited to, JPMorgan Chase, Citigroup, Inc., Bank of America, the Federal Reserve Bank of New York and others.

Examiner Order, ¶ 2 (fourth and eighth bullets).<sup>20</sup>

64. During the Compensation Period, attorneys who were assigned to these elements of the Investigation: (i) developed and regularly updated work plans and sub-topic work plans for investigating bank and third party transactions; (ii) reviewed and analyzed extensive documents and materials regarding these issues; (iii) identified and interviewed witnesses with information regarding these elements of the Investigation; (iv) worked with the Examiner's financial advisors to conduct necessary analyses and data review; (v) researched relevant case law; and (vi) drafted sections of the Examiner's Report on these issues.

65. Members of this investigatory team worked closely with Alvarez & Marsal to identify the relevant transactions and documents in the Debtors' possession, communicated with other parties' professionals regarding potential claims, and worked with representatives of JPMorgan Chase, Citigroup, the Federal Reserve Bank of New York, and HSBC to obtain relevant documents and to schedule witness interviews.

66. Jenner & Block expended 14,955.4 hours, at an aggregate charge of \$6,140,358.45, on investigations of other third-party transactions.

**J. General Bankruptcy Matters and Other Research**

67. This matter related to general bankruptcy matters and research in support of the Examiner's Investigation. Tasks in this matter included: (i) monitoring the LBHI bankruptcy docket for pleadings and documents relevant to the Investigation; (ii) preparing the Examiner's 2004 motion and analyzing parties' Rule 2004 requests; (iii) analyzing other major examiner

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<sup>20</sup> In the detailed time entries submitted by the Examiner and Jenner & Block, use of the term "Team 4" refers to the team assigned to these elements of the Investigation.

cases for applicable precedent; (iv) researching applicable attorney-client privilege and work product rules as they apply to an examiner; (v) tracking adversary proceedings filed in the LBHI bankruptcy cases; (vi) conducting various legal research related to potential claims investigated by the Examiner; (vii) filing and serving various documents on behalf of the Examiner, including the Examiner's Report; and (viii) preparing and filing the Examiner's motion requesting discharge and other relief.

68. During the Compensation Period, Jenner & Block expended 1,783.3 hours, at an aggregate charge of \$652,867.20, on such matters.

**K. Communications and Meetings with Parties-In-Interest**

69. In the Examiner Order, the Court directed the Debtors, the Debtors' affiliates and subsidiaries, the Creditors' Committee, the SIPA Trustee, and their respective representatives "to cooperate with the Examiner in conjunction with the performance of any of the Examiner's duties and the Investigation" and "to coordinate with the Examiner to avoid unnecessary interference with, or duplication of, the Investigation." Examiner Order, ¶ 4. The Court also ordered the Examiner to "cooperate fully with any governmental agencies" and to "follow a protocol to be established with the governmental agencies for the sharing of information...." Examiner Order, ¶ 8.

70. During the Compensation Period, the Examiner conferred with various parties-in-interest and remained in close communication with the U.S. Government, the Office of the United States Trustee, and the SIPA Trustee and his professionals. The Examiner communicated and met with personnel from the United States Attorney's Office, the SEC, and Congress, among others. The Examiner and his professionals also regularly communicated with the Debtors regarding cooperation both during and after the filing of the Examiner's Report. Time entries in



this matter covered communications, meetings, and preparations for meetings with these and other parties.

71. Jenner & Block expended 1,867.3 hours, at an aggregate charge of \$934,476.30, on matters described in this category.

**L. Non-Working Travel Time**

72. This matter included time entries related to non-working travel time spent by the Examiner and Jenner & Block attorneys to: (i) participate in meet and confer sessions with various parties-in-interest as directed by the Court; (ii) conduct hundreds of interviews with witnesses and professionals in these cases; (iii) review certain hard copy documents; and (iv) participate in court hearings and meetings with parties-in-interest.

73. During the Compensation Period, the Examiner and Jenner & Block expended 2,148.1 hours, at an aggregate charge of \$1,044,209.25 for non-working traveling time. However, the Examiner and Jenner & Block are voluntarily reducing their bill for these fees by one-half of these fees, \$522,104.64, and are seeking compensation only for \$522,104.61.<sup>21</sup>

**M. Document Management and Review**

74. A critical piece of the Examiner's Investigation related to the collection and processing of a vast volume of documents and information that was in the possession of various parties-in-interest. Time entries in this matter related to the management and review of these documents and information, including conferring with Alvarez & Marsal and the Debtors regarding the available data systems, entering into stipulations with various parties regarding the use of data and documents, technically processing documents for review by attorneys, tracking

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<sup>21</sup> The amounts reduced are not precisely one-half because of how amounts were rounded in the Examiner's and Jenner & Block's interim fee applications.

documents requested and received, and responding to privilege and claw back requests from parties.

75. Jenner & Block utilized two document management systems, Stratify and Case Logistix, to review and analyze documents produced by the Debtors and by third-parties, respectively. As the Investigation unfolded and the Examiner began receiving documents from various parties, it became clear that additional document reviewers would be necessary. As noted above, the Examiner obtained Court approval to retain up to 80 contract attorneys to perform specific document review. During the document review process, certain Jenner & Block attorneys and paraprofessionals interacted with the contract attorneys on a regular basis to answer questions and assign documents to be reviewed and periodically performed quality control of the document review and tagging process being conducted by the contract attorneys. Time associated with the management of the use of contract attorneys is reported in this matter.<sup>22</sup>

76. This matter also included time spent by Jenner & Block attorneys and paraprofessionals: (i) reviewing case background materials prepared by the Examiner and team leaders to educate new team members on the scope and nature of the Investigation; (ii) preparing a case chronology to track the timeline of key events; (iii) researching relevant documents from the public domain; (iv) reviewing documents that relate to more than one of the categories of topics to be investigated by the Examiner; (v) pulling and logging documents cited in the Examiner's Report; (vi) drafting sections of the Examiner's Report regarding the document review and management process; (vii) preparing a document log regarding documents cited in the Report to produce a publicly available hyperlinked version of the Report and identify any

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<sup>22</sup> The actual expenses incurred by Jenner & Block for work performed by the contract attorneys are included in the list of disbursements.

confidentiality issues arising under confidentiality stipulations with third parties; and  
(viii) coordinating with the Debtors, Alvarez & Marsal, and Epiq to preserve the document repositories created and utilized by the Examiner.

77. During the Compensation Period, Jenner & Block expended 16,256.9 hours, at an aggregate charge of \$4,685,721.30, with respect to document and data management and review.

**N. Billing and Fee Applications**

78. This matter related to the preparation of monthly fee statements, fee applications, and responses to the Fee Committee, including redactions to preserve the confidentiality of the Investigation. During the Compensation Period, Jenner & Block expended 2,273.9 hours, at an aggregate charge of \$856,838.25, on billing and fee application matters. Pursuant to discussions with the Fee Committee, Jenner & Block has agreed to reduce this charge by \$353,072.50. Thus, this Final Fee Application seeks compensation in the amount of \$503,765.75 for billing and fee-related matters. This represents 0.98% of the total fees requested in this Final Fee Application.

**O. Consultations with Financial Advisors**

79. In order to carry out his duties and responsibilities under the Bankruptcy Code and the Examiner Order, shortly after his appointment, the Examiner determined that he would need the assistance of a financial advisor who had extensive experience and expertise in complex accounting and bankruptcy investigations. After conducting several interviews with potential candidates, in early February 2009, the Examiner selected Duff & Phelps as his financial advisor, subject to Court approval. This matter included time spent by Jenner & Block conferring with Duff & Phelps professionals regarding: (i) the scope of the Investigation; (ii) work plans and draft sections of the Examiner's Report; (iii) documents to request from parties; (iv) witness interviews; and (v) analyses of key financial issues in the Investigation which cut across multiple subject matters of the Investigation.

80. During the Compensation Period, Jenner & Block expended 1,128.5 hours, at an aggregate charge of \$644,764.50, on matters relating to consultation with Duff & Phelps.<sup>23</sup>

**P. Witness Interviews**

81. During the course of the Examiner's Investigation, the Examiner and his professionals interviewed over 250 witnesses. Time entries in this matter related to: (i) tracking interviews conducted and information of potential witnesses in the Investigation; (ii) preparing for and conducting witness interviews, to the extent that such entries were not associated with a single investigatory subject matter; (iii) maintaining witness files based on documents identified by the Examiner's professionals; (iv) drafting and reviewing summary interview memoranda; (v) researching and analyzing publicly available information regarding certain witnesses; and (vi) drafting letter requests for interviews of government officials.

82. During the Compensation Period, Jenner & Block expended 4,397.5 hours, at an aggregate charge of \$1,589,923.80, on matters relating to witness interviews.<sup>24</sup>

**Q. Investigation Planning and Coordination**

83. In appointing the Examiner, the Court expressed a strong interest in ensuring that the Investigation avoided replication of efforts and duplication of services. To the extent that Jenner & Block communicated and met with external parties to achieve this goal, such time was tracked in the matter for communications and meetings with parties-in-interest or, if the communications or meetings relate to a specific element of the Investigation, then to the relevant matter. However, due to the breadth of the Investigation, the number of parties and entities

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<sup>23</sup> Where communications with Duff & Phelps professionals related substantially to one of the elements of the Investigation, the time entries were recorded in the project matter to which that element was assigned.

<sup>24</sup> Again, where tasks relating to witness interviews related substantially to one of the elements of the Investigation, the time entries were recorded in the project matter to which that element was assigned.

involved, the volume of documents and data to be reviewed and analyzed, and the time frame for completing the Investigation, the Examiner and his team at Jenner & Block routinely communicated and coordinated internally regarding the scope of the Investigation, documents and data to request, witnesses to interview, research to be conducted which was relevant to multiple investigatory subject matters, and integration of the Examiner's Report. Accordingly, time entries for such planning and coordination to avoid the duplication of work and to conduct an expedient yet thorough investigation were included in this matter. This matter also included time associated with the development and drafting of a consolidated work plan for the Investigation.

84. During the Compensation Period, Jenner & Block expended 2,405.4 hours, at an aggregate charge of \$1,093,031.10, on matters relating to investigation planning and coordination.

**R. U.K. Matters**

85. This matter related to issues that arose during the course of the Examiner's Investigation which involved questions of U.K. law, specifically with respect to Repo 105 transactions engaged in by Lehman Brothers and transactions between Lehman Brothers and HSBC. Tasks in this matter included communications, document review, and legal analysis by an attorney at Jenner & Block living in the United Kingdom.

86. During the Compensation Period, Jenner & Block expended 55.7 hours, at an aggregate charge of \$46,370.25, on matters relating to U.K. law.

**IV. The Requested Compensation Should Be Allowed**

87. The foregoing professional services performed by the Examiner and Jenner & Block were necessary and appropriate to the Examiner's administration of his duties in the above-referenced chapter 11 cases and were in the best interests of the Examiner, the Debtors'

estates, and other parties-in-interest. Compensation for the foregoing services as requested is commensurate with the complexity, importance, and nature of the problems, issues, or tasks involved. Jenner & Block has taken significant efforts to ensure that the professional services were performed expeditiously, in an efficient manner, and without duplication of effort.

88. In preparing this Final Fee Application, the Examiner and Jenner & Block calculated the amount of time spent by each attorney and paraprofessional in performing actual and necessary legal services for the Examiner and the Investigation. That data came directly from computerized records that are kept for each Jenner & Block client. Individual time entries are maintained on written daily logs, personal computer hard drives, or the firm's central computer network. All time entries and expenses are uploaded into the billing system, which then produces draft client billing memoranda and invoices. Jenner & Block attorneys have reviewed and edited the draft invoices and billing memoranda for errors prior to their submission.

89. The rates used in this Final Fee Application are the customary and usual rates which the Examiner and Jenner & Block charge clients on matters of this type, subject to the 10% reduction in standard hourly rates to which the Examiner and Jenner & Block have agreed because of the significant public interest associated with the Examiner's duties and responsibilities. In addition, the disbursements for which the Examiner and Jenner & Block seek reimbursement are the customary and usual expenses for which the Examiner and Jenner & Block seek reimbursement from their clients. Jenner & Block charges 10 cents per page for duplicating. Jenner & Block does not charge its clients for facsimiles, domestic and long distance telephone (other than while traveling), and certain overtime expenses, and takes those expenses into account in its overhead. Jenner & Block does not include charges for postage,

messenger services, duplicating and computerized legal research in its overhead because it is fairer to clients who use less of these services to have these expenses billed separately.

According to its outside auditors these charges fairly approximate the firm's actual costs and do not result in undue revenue for the firm. The firm's hourly rates used for this Final Fee Application do not compensate the firm for such expenses.

90. Section 331 of the Bankruptcy Code provides for compensation of professionals and incorporates the substantive standards of section 330 to govern the Court's award of such compensation. 11 U.S.C. § 331. Section 330 provides that a court may award a professional employed under section 327 of the Bankruptcy Code "reasonable compensation for actual necessary services rendered . . . and reimbursement for actual, necessary expenses." 11 U.S.C. § 330(a)(1). Section 330 also sets forth the criteria for the award of such compensation and reimbursement:

In determining the amount of reasonable compensation to be awarded to an Examiner, trustee under Chapter 11, or professional person, the court should consider the nature, the extent, and the value of such services, taking into account all relevant factors, including

- (A) the time spent on such services;
- (B) the rates charged for such services;
- (C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;
- (D) whether the services were performed within a reasonable amount of time commensurate with the complexity, importance, and nature of the problem, issue, or task addressed;
- (E) with respect to a professional person, whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and

- (F) whether the compensation is reasonable based on the customary compensation charged by comparably skilled practitioners in cases other than cases under this title.

11 U.S.C. § 330(a)(3).

91. In the instant case, the Examiner and Jenner & Block respectfully submit that the services for which they seek compensation in this Final Fee Application were, at the time rendered, believed to be necessary for and beneficial to the Examiner and the Investigation. The Examiner and Jenner & Block further submit that the compensation requested herein is reasonable in light of the nature, extent, and value of such services provided by and to the Examiner.

92. Jenner & Block advised the Examiner on a regular basis of the fees and expenses incurred by Jenner & Block and provided the Examiner with a statement of Jenner & Block's fees and disbursements prior to the filing of this Final Fee Application. The Examiner has been given the opportunity to review this Final Fee Application and has approved the requested amount.

93. The services rendered by the Examiner and Jenner & Block were consistently performed in a timely manner commensurate with the complexity, importance, and nature of the issues involved. Accordingly, approval of the interim compensation sought herein for the Compensation Period is warranted.

94. This Final Fee Application includes citations to the applicable authorities and does not raise any novel issues of law. The Examiner and Jenner & Block reserve the right to file a brief in reply to any objection to this Final Fee Application.

95. To the extent applicable, the Examiner and Jenner & Block further request that the Court waive for cause shown any Guidelines requirement not met by this Final Fee Application.



96. No previous motion for the relief sought herein has been made to this or any other court.

**CONCLUSION**

WHEREFORE the Examiner and Jenner & Block respectfully request: (i) allowance and payment of compensation for professional services rendered during the Compensation Period in the amount of \$51,271,849.80; (ii) reimbursement for actual and necessary expenses the Examiner and Jenner & Block incurred during the Compensation Period in the amount of \$7,906,417.06; and (iii) such other and further relief that the Court deems just.

Dated: March 27, 2012  
New York, New York

Respectfully submitted,

By: /s/ Patrick J. Trostle  
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